MEETING AGENDA
SESSION OF THE FIRE PENSION BOARD
CITY OF KISSIMMEE
CITY HALL, COMMISSION CHAMBERS
101 CHURCH STREET, KISSIMMEE, FLORIDA 34741-5054
TUESDAY, MARCH 14, 2023 AT 1:00 PM

1. **MEETING CALLED TO ORDER**
2. **HEAR AUDIENCE**
3. **FINANCIAL AGENDA - NONE**
4. **ADMINISTRATIVE AGENDA**
   - 4.A Review of Cola study for consideration
   - 4.B Request Board approval of the proposed ordinance
5. **HEAR THE ATTORNEY**
6. **OLD BUSINESS - NONE**
7. **NEW BUSINESS - NONE**
8. **ADJOURNMENT**

In accordance with Florida Statutes 286.105: Any person wishing to appeal any decision made by the Fire Pension Board with respect to any matter considered at such meeting or hearing will need to ensure that verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is made.

In accordance with Florida State 286.26, persons needing assistance to participate in any of these proceedings should contact the Office of the City Clerk, 101 Church Street, Kissimmee, Florida, (407) 518-2309.

ITEM 4.A
Review of Cola study for consideration

Request

Review of requested Cola study for consideration and recommendation.

Explanation

The requested Cola study is attached for review and possible recommendation.

Recommendation

Board approval with conditions based on cost.

REQUESTED BOARD ACTION:

Approve w/Conditions

Attachment(s):

1. Kissimmee_Fire_COLA_Study_March_2023

March 10, 2023

VIA EMAIL

Board of Trustees
City of Kissimmee
Firefighters' Pension Board

Re: City of Kissimmee Firefighters' Retirement Plan
Funding Impact Associated with Proposed Benefit Changes

Dear Board:

As requested, we have performed a special actuarial analysis to determine the impact on the plan's funding requirements associated with the benefit changes described below:

Proposed Scenario 1:
Effective October 1, 2023, a one-time increase in monthly benefits for all retirees and beneficiaries in pay status (including DROP retirees) equal to 2% for each full year of retirement as of October 1, 2017. The maximum increase is 10%.

Proposed Scenario 2:
Effective October 1, 2023, a one-time increase in monthly benefits for all retirees and beneficiaries in pay status (including DROP retirees) equal to 2% for each full year of retirement as of October 1, 2022. The maximum increase is 10%.

The actuarial impact, determined as of October 1, 2022 (as applicable to the fiscal year ending September 30, 2023) is shown below and on the following page:

Impact on Contribution Requirement

	Current	Proposed Scenario 1	Proposed Scenario 2
Normal Cost	$1,710,643	$1,710,643	$1,710,643
Administrative Expenses	70,374	70,374	70,374
Payment Required to Amortize UAAL	2,098,729	2,426,872	2,517,257
Minimum Required Contribution	3,879,746	4,207,889	4,298,274
Member Contributions (Est.)	195,248	195,248	195,248
City and State Required Contribution	3,684,498	4,012,641	4,103,026
State Contribution (Est.) [1]	572,572	572,572	572,572
City Required Contribution	$3,111,926	$3,440,069	$3,530,454
% of Projected Annual Payroll	38.40%	42.45%	43.56%

[1] Represents the amount received in calendar 2022. The City may use up to $853,025 in State Contributions for determining its minimum funding requirements.

Impact on Unfunded Actuarial Accrued Liability (UAAL)

	Current	Proposed Scenario 1	Proposed Scenario 2
UAAL	$14,729,836	$17,476,663	$18,233,262
Change in UAAL		$2,746,827	$3,503,426

The changes in UAAL associated with the benefit changes were amortized over 15 years.

This analysis is based on the same data, assumptions, and methods as utilized in the October 1, 2022 actuarial valuation except as otherwise noted.

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein.

Please note the contents of this analysis and the October 1, 2022 actuarial valuation report are considered integral parts of the actuarial opinions. In reviewing the results presented in this study, it should be noted there are risks that may not be inherently apparent to the reader that should be carefully considered. For key risks, please see the Discussion of Risk section of the October 1, 2022 actuarial valuation report.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the analysis, we did not perform an analysis of the potential range of such future measurements.

If you have any questions, please let me know.

Sincerely,

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #20-7778

ITEM 4.B

Request Board approval of the proposed ordinance

Request

Request Board approval of the proposed ordinance.

Explanation

The proposed ordinance is attached for approval.

Recommendation

Staff recommends Board approval.

REQUESTED BOARD ACTION:

Approve

Attachment(s):

1. 03-02-23.ord
2. Kiss Fire .gomez

PROPOSED ORDINANCE NO. _____
ORDINANCE NO. ___

AN ORDINANCE OF THE CITY OF KISSIMMEE, FLORIDA, AMENDING CHAPTER 30, PERSONNEL, ARTICLE III, EMPLOYEE RETIREMENT, DIVISION III, FIREFIGHTERS' RETIREMENT PLAN, OF THE CODE OF ORDINANCES OF THE CITY OF KISSIMMEE; AMENDING SECTION 30-140, DEFINITIONS; AMENDING SECTION 30-143, FINANCES AND FUND MANAGEMENT - ESTABLISHMENT AND OPERATION OF FUND; AMENDING SECTION 30-146, PRE-RETIREMENT DEATH; AMENDING SECTION 30-148, VESTING; AMENDING SECTION 30-156, MINIMUM DISTRIBUTION OF BENEFITS; AMENDING SECTION 30-164, MILITARY SERVICE PRIOR TO EMPLOYMENT; AMENDING SECTION 30-167, DEFERRED RETIREMENT OPTION PLAN; AMENDING SECTION 30-168, PRIOR FIRE SERVICE; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KISSIMMEE, FLORIDA;

SECTION 1: That Chapter 30, Personnel, Article III, Employee Retirement, Division 3, Firefighters' Retirement Plan, of the Code of Ordinances of the City of Kissimmee, is hereby amended by amending Section 30-140, Definitions, to amend the definition of Salary, to read as follows:

* * * * *

Salary.

(1) The term "salary" means the total monthly compensation for services rendered to the city as a firefighter, reported on the member's W-2 form, including overtime, longevity pay and incentive pay, excluding lump sum sick leave, lump sum vacation, education reimbursement, car allowance and severance pay and plus all tax deferred, tax-sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions. Notwithstanding the preceding sentence, for members who are employed and have not reached the normal retirement date on February 19, 2013, and members hired on or after that date, salary shall exclude payments for overtime worked in addition to the normal work assignment in excess of 300 hours per calendar year. Lump sum payments of retroactive pay for retroactive pay raises received by a member in connection with a negotiated collective bargaining agreement shall be deemed to be salary earned during the pay period to which the retroactive payments are attributable.

(2) Compensation in excess of the limitations set forth in Internal Revenue Code § 401(a)(17) as of the first day of the plan year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any plan year beginning on or after January 1, 2002, may not exceed $200,000.00, as adjusted for cost of living increases in accordance with Internal Revenue Code § 401(a)(17)(B). The term "compensation" means

compensation during the fiscal year, and the fiscal year is considered the determination period. The cost of living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If the determination period consists of fewer than 12 months for all members, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12, as provided for in Treas. Reg. Section 1.401(a)(17)-1(b)(3)(iii)(B). If the compensation for any prior determination period is taken into account in determining a member's contributions or benefits for the current plan year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. The limitation on compensation for an eligible employee shall not be less than the amount which was allowed to be taken into account hereunder as in effect on July 1, 1993. The term "eligible employee" means an individual who was a member before the first plan year beginning after December 31, 1995.

* * * * *

SECTION 2: That Chapter 30, Personnel, Article III, Employee Retirement, Division 3, Firefighters' Retirement Plan, of the Code of Ordinances of the City of Kissimmee, is hereby amended by amending Section 30-143, Finances and Fund Management; Establishment and Operation of Fund, subsection (f)(10), to read as follows:

* * * * *

(10) Any overpayments or underpayments from the fund to a member, retiree or beneficiary caused by errors of computation shall be adjusted with interest at a rate per annum approved by the board in such a manner that the actuarial equivalent of the benefit to which the member, retiree or beneficiary was correctly entitled shall be paid. Overpayments shall be charged against payments next succeeding the correction or collected in another manner if prudent. Notwithstanding the foregoing, the board shall have the discretion to not seek recovery of inadvertent overpayments from benefit recipients, or other parties, including the City, based on the circumstances of the overpayment, on a case-by-case basis, provided that any such actions are consistent with the provisions of the Secure Act 2.0 applicable to governmental plans with regard to inadvertent benefit overpayments and any applicable guidance subsequently issued by the Treasury and the Internal Revenue Service. Underpayments shall be made up from the fund in a prudent manner.

* * * * *

SECTION 3: That Chapter 30, Personnel, Article III, Employee Retirement, Division 3, Firefighters' Retirement Plan, of the Code of Ordinances of the City of Kissimmee, is hereby amended by amending Section 30-146, Pre-Retirement Death, subsection (a)(4), to read as follows:

* * * * *

(a) (4) A member whose service is terminated by reason of his death not in the direct performance of his duty and prior to attaining ~~five~~ ten years of credited service shall receive the return of his accumulated contribution.

* * * * *

<u>SECTION 4</u>: That Chapter 30, Personnel, Article III, Employee Retirement, Division 3, Firefighters' Retirement Plan, of the Code of Ordinances of the City of Kissimmee, is hereby amended by amending Section 30-148, Vesting, to read as follows:

Sec. 30-148. - Vesting.

If a member terminates his employment as a firefighter, either voluntarily or by discharge, and is not eligible for any other benefits under this system, the member shall be entitled to the following:

(1) If a member has less than ~~five~~ <u>ten</u> years credited service upon termination, the member shall be entitled to a refund of his accumulated contribution or the member may leave it deposited with the fund.

<u>(2) If the member has ten or more years of credited service upon termination, the member shall be entitled to a monthly retirement benefit, determined in the same manner as for normal or early retirement and based upon the member's credited service, average final compensation and the benefit accrual rate as of the date of termination, payable to him commencing at the member's otherwise normal or early retirement date, determined as if he had remained employed, provided he does not elect to withdraw his accumulated contributions and provided the member survives to his otherwise normal or early retirement date. If the member does not withdraw his accumulated contributions and does not survive to his otherwise normal or early retirement date, his designated beneficiary shall be entitled to a monthly retirement income, payable for ten years certain and life thereafter and beginning on the first day of the month coincident with, or next following, the date of the terminated member's death, which can be provided by the single-sum value of the benefit determined in accordance with section 30-146(a), as of the date of the member's death; provided, however, in lieu of payment of such benefit in the form of monthly income described above, the single-sum value of such benefit may be paid on an actuarially equivalent basis to the member's designated beneficiary in such other manner and from as the member may elect and the board may approve or, in the event no election is made by the member prior to his death, as the beneficiary may elect and the board may approve.</u>

~~(2) If a member has five or more years of credited service upon termination, the member shall be entitled to a monthly retirement income to commence on his normal retirement date, determined as if he had remained employed, provided his accumulated contributions remain in the plan. If the member so requests in writing, filed with the board, payment may commence on the first day of any month which is prior to the member's normal retirement date and on or after the date on which the member meets the requirements for early retirement. Such monthly retirement income payable to a member under the provisions of this division shall be equal to the product of the member's vested percentage at the date of his termination of service as provided in subsection (3) of this section and the accrued benefit which he has accrued to the date of his termination of service. If the monthly retirement income is to commence prior to the member's normal retirement date, the benefit in this division shall be determined as provided for in section 30-145(d)(2).~~

~~(3) a. Except as otherwise provided herein, each member not otherwise fully vested shall have a minimum vested interest in the amount of his accrued benefit equal to the percentage thereof, as hereinafter indicated, applicable to the number of his years of credited service:~~

~~Years of Credited Service~~	~~Vested Percentage~~
~~Less than 5 years~~	~~0~~
~~5 years but less than 6~~	~~25~~
~~6 years but less than 7~~	~~30~~
~~7 years but less than 8~~	~~35~~
~~8 years but less than 9~~	~~40~~
~~9 years but less than 10~~	~~45~~
~~10 years or more~~	~~100~~

~~b. Provided, however, a member who meets the early retirement provisions or the normal retirement provisions shall be 100 percent vested regardless of the above schedule.~~

~~c. Each member shall at all times and in all events have a fully vested interest in his accumulated contribution. No member's vested interest is to be reduced as a result of any amendment to this section; however, any increase in a member's vested interest will be determined by the vesting schedule in effect at the time of his separation from service.~~

~~(4) Notwithstanding subsections (1) through (3) of this section, effective December 3, 2012, a member shall be 100 percent vested upon completing ten years of credited service, and there shall be no vesting percentage for members who terminate employment with less than ten years of credited service except as provided in this subsection. Any member who terminates employment after December 3, 2012, with less than ten years of credited service shall be entitled only to a refund of his accumulated contribution, or the member may leave it deposited with the fund, provided any member who was employed on December 3, 2012, with less than ten years of credited service on that date who subsequently terminates employment with less than ten years of credited service shall be entitled to the vesting percentage provided in subsection (3)a of this section as of December 3, 2012. If a member has ten or more years of credited service upon termination, or is entitled to a vested percentage in accordance with the preceding sentence, the member shall be entitled to a monthly retirement income to commence on his normal retirement date, determined as if he had remained employed, provided his accumulated contributions remain in the plan. If the member so requests in writing, filed with the board, payment may commence on the first day of any month which is prior to the member's normal retirement date and on or after the date on which the member meets the requirements for early retirement. The monthly retirement income payable to a member who was employed on December 3, 2012, with less than ten years of credited service on that date and who subsequently terminates employment with less than ten years of credited service shall be equal to the product of the member's vested percentage on December 3, 2012, as provided in subsection (3)a of this section and the accrued benefit which he has accrued to the date of his termination of service. If the monthly retirement income is to commence prior to the member's normal retirement date, the benefit shall be reduced for early retirement in accordance with section 30-145.~~

~~(5) In the event that the terminated member dies prior to the date as of which retirement income payments are to commence as described above, his beneficiary will receive the monthly retirement income, payable for ten years certain and life thereafter and beginning on the first day of the month coincident with, or next following, the date of the terminated member's death, which can be provided by the single-sum value of the benefit determined in accordance with section 30-146(a), as of the date of the member's death; provided, however, in lieu of payment of such benefit in the form of monthly income described above, the single-sum value of such benefit may be~~

~~paid on an actuarially equivalent basis to the member's designated beneficiary in such other manner and from as the member may elect and the board may approve or, in the event no election is made by the member prior to his death, as the beneficiary may elect and the board may approve.~~

SECTION 5: That Chapter 30, Personnel, Article III, Employee Retirement, Division 3, Firefighters' Retirement Plan, of the Code of Ordinances of the City of Kissimmee, is hereby amended by amending Section 30-156, Minimum Distribution of Benefits, subsections (b)(1) and (b)(2)a., to read as follows:

* * * * *

(b) (1) *Required Beginning Date.*

a. The member's entire interest will be distributed, or begin to be distributed, to the member no later than the member's required beginning date. ~~For a member who attains age 70.5 prior to January 1, 2020, the member's required beginning date is April 1 of the calendar year following the later of (i) the calendar year in which the member attains age 70.5 or (ii) the calendar year in which the member terminates employment with the City. For a member who attains age 70.5 on or after January 1, 2020, the~~ The member's required beginning date is April 1 of the calendar year following the later of (i) the calendar year in which the member attains ~~age seventy-two (72)~~ the applicable age or (ii) the calendar year in which the member terminates employment with the City.

b. Applicable age.

1. For a member who attained age 70½ before December 31, 2019, the applicable age is 70½.

2. For a member who attained age 72 before January 1, 2023, the applicable age is 72.

3. For a member who attains age 72 after December 31, 2022, the applicable age as defined in Code Section 401(a)(9)(C)(v).

* * * * *

(b) (2) a. If the member's surviving spouse is the member's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by a date on or before December 31 of the calendar year in which the member would have attained age ~~70.5, (or age 72 for a member who would have attained age 70.5 after December 31, 2019) if later,~~ the applicable age, as the surviving spouse elects. Effective for calendar years beginning after December 31, 2023, a surviving spouse who is the member's sole designated beneficiary may elect to be treated as if the surviving spouse were the employee as provided under Code Section 401(a)(9)(B)(iv).

* * * * *

<u>SECTION 6</u>: That Chapter 30, Personnel, Article III, Employee Retirement, Division 3, Firefighters' Retirement Plan, of the Code of Ordinances of the City of Kissimmee, is hereby amended by amending Section 30-164, Military Service Prior to Employment, to read as follows:

Sec. 30-164. - Military service prior to employment.

The years or fractional parts of years that a firefighter serves or has served in the active military service of the Armed Forces of the United States or the United States Merchant Marine or the United States Coast Guard, voluntarily or involuntarily, honorably or under honorable conditions, prior to first and initial employment with the fire department shall be added to his years of credited service provided that:

(1) The first three years shall be added at no cost to the member.

(2) Additional years may be purchased if the member contributes to the fund the sum that he would have contributed, based on his salary and the member contribution rate in effect at the time that the credited service is requested, had he been a member of the system for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the fund plus payment of costs for all professional services rendered to the board in connection with the purchase of credited service.

(3) Multiple requests may be made at any time prior to retirement.

(4) Payment by the member of the required amount shall be made within six months of his request for credit, but not later than his retirement date in any event, and shall be made in one lump sum payment upon receipt of which credited service shall be given <u>or the member may elect to make payment for the requested credited service over a period of time as provided for in paragraph (8) below</u>.

(5) The combined maximum credit under this section and for the purchase of prior fire service other than for the city as provided for in section 30-168 shall be five years.

(6) Credited service received pursuant to this section shall count for all purposes, except vesting and eligibility for not-in-line of duty disability benefits or toward the first ten years of credited service required for eligibility for normal or early retirement.

(7) Notwithstanding the provisions of subsections (1) through (6) of this section, members hired on or after January 1, 2013, shall not be eligible to receive a credit for prior military service until they attain age 55 with ten years of credited service or complete 27 years of credited service regardless of age.

<u>(8) In lieu of the lump sum payment provided for in paragraph (4) above, a member may elect to make payments over a period of time in order to fully pay the amount provided for in paragraph (2). The member shall be required to notify the board, in writing, of his election to make payments in the manner provided for in this paragraph. The payment plan provided for in this paragraph shall be subject to the following terms:</u>

<u>a. The principal amount to be paid shall be determined as set forth in paragraph (2) above.</u>

<u>b. The original principal amount shall be amortized over the period beginning with the first payment and ending no later than sixty (60) months from the</u>

date of the first payment and shall be reamortized annually to reflect changes in the interest rate provided for in subparagraph c. below.

c. Payments shall consist of principal and interest at a rate equal to the actuarially assumed rate of return on plan investments.

d. Payments shall be made by payroll deduction from each paycheck on an after-tax basis.

e. In the event that a member dies, retires (including entry into the Deferred Retirement Option Plan (DROP)) or otherwise terminates his employment, without having made full payment of the principal amount necessary to receive all credited service requested, the member shall receive so much of the credited service requested, determined using procedures established by the actuary, which could be purchased with the amount of principal paid by the member to the date of his death or termination of employment.

f. In the event that the member's employment is terminated for any reason and he is not entitled to any benefit from the system other than the return of the amounts he has had deducted from his paycheck as his normal contribution to the system, the amounts which the member has paid pursuant to this subsection to purchase additional credited service, shall be returned to him including all interest paid, however, no interest shall accrue on amounts paid to purchase service.

SECTION 7: That Chapter 30, Personnel, Article III, Employee Retirement, Division 3, Firefighters' Retirement Plan, of the Code of Ordinances of the City of Kissimmee, is hereby amended by amending Section 30-167, Deferred Retirement Option Plan, subsection (a)(4), to read as follows:

* * * * *

(d) (4) *Age ~~70.5~~ of required distribution*. In no event shall the provisions of this subsection (d) operate so as to allow the distribution of a member's DROP account to be later than the member's required beginning date, as provided under section 30-156. In the event a member is required to receive payment while in service under the provisions of this subsection, the member shall receive one lump sum payment on or before his required beginning date equal to the member's entire DROP account balance and annual lump sum payments thereafter of amounts credited to the DROP account during each calendar year. Upon the member's subsequent termination of employment, payment of the DROP account shall be made in accordance with the provisions of subsection (d)(2) of this section.

* * * * *

SECTION 8: That Chapter 30, Personnel, Article III, Employee Retirement, Division 3, Firefighters' Retirement Plan, of the Code of Ordinances of the City of Kissimmee, is hereby amended by amending Section 30-168, Prior Fire Service, to read as follows:

Sec. 30-168. - Prior fire service.

Unless otherwise prohibited by law, and except as provided for in section 30-140, the years or fractional parts of years that a member previously served as a firefighter with the city during a period of previous employment and for which period accumulated contributions were withdrawn from the fund, or the years and fractional parts of years that a member served as a full-time firefighter for any other municipal, county or special district fire department in the state shall be added to his years of credited service provided that:

(1) The member contributes to the fund the sum that he would have contributed, based on his salary and the member contribution rate in effect at the time that the credited service is requested, had he been a member of the system for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the fund plus payment of costs for all professional services rendered to the board in connection with the purchase of years of credited service.

(2) Multiple requests to purchase credited service pursuant to this section may be made at any time prior to retirement.

(3) Payment by the member of the required amount shall be made within six months of his request for credit, but not later than the retirement date, and shall be made in one lump sum payment upon receipt of which credited service shall be given <u>or the member may elect to make payment for the requested credited service over a period of time as provided for in paragraph (7) below</u>.

(4) The combined maximum credit under section 30-164 and under this section for service other than with the city shall be five years of credited service. Credited service purchased pursuant to this section shall count for all purposes, except vesting, eligibility for not-in-line of duty disability benefits or toward the first ten years of credited service required for normal or early retirement. There shall be no maximum purchase of credit for prior service with the city and such credit shall count for all purposes, including vesting.

(5) In no event, however, may credited service be purchased pursuant to this section for prior service with any other municipal, county or special district fire department, if such prior service forms or will form the basis of a retirement benefit or pension from a different employer's retirement system or plan as set forth in section 30-154(l)(2).

(6) For purposes of determining credit for prior service as a firefighter as provided for in this section, in addition to service as a firefighter in the state, credit may be given for federal, other state, county or municipal service if the prior service is recognized by the division of state fire marshal, as provided under F.S. ch. 633, or the firefighter provides proof to the board that his service is equivalent to the service required to meet the definition of a firefighter under section 30-140.

<u>(7) In lieu of the lump sum payment provided for in paragraph (3) above, a member may elect to make payments over a period of time in order to fully pay the amount provided for in paragraph (1). The member shall be required to notify the board, in writing, of his election to make payments in the manner provided for in this paragraph. The payment plan provided for in this paragraph shall be subject to the following terms:</u>

a. The principal amount to be paid shall be determined as set forth in paragraph (1) above.

b. The original principal amount shall be amortized over the period beginning with the first payment and ending no later than sixty (60) months from the date of the first payment and shall be reamortized annually to reflect changes in the interest rate provided for in subparagraph c. below.

c. Payments shall consist of principal and interest at a rate equal to the actuarially assumed rate of return on plan investments.

d. Payments shall be made by payroll deduction from each paycheck on an after-tax basis.

e. In the event that a member dies, retires (including entry into the Deferred Retirement Option Plan (DROP)) or otherwise terminates his employment, without having made full payment of the principal amount necessary to receive all credited service requested, the member shall receive so much of the credited service requested, determined using procedures established by the actuary, which could be purchased with the amount of principal paid by the member to the date of his death or termination of employment.

f. In the event that the member's employment is terminated for any reason and he is not entitled to any benefit from the system other than the return of the amounts he has had deducted from his paycheck as his normal contribution to the system, the amounts which the member has paid pursuant to this subsection to purchase additional credited service, shall be returned to him including all interest paid, however, no interest shall accrue on amounts paid to purchase service.

SECTION 9: Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Kissimmee.

SECTION 10: If any section, subsection, sentence, clause or phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

SECTION 11: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 12: That this Ordinance shall become effective upon its adoption.

Commissioner __________________ moved the passage and adoption of the above and foregoing Ordinance. Motion was seconded by Commissioner _____________ and upon roll call on the motion of the vote was as follows:

AYES: NAYS:

Said motion having been duly carried, thereupon, Mayor-Commissioner declared said Ordinance duly passed and adopted the ___ day of ______________, 2023.

____
Mayor-Commissioner

ATTEST:

____
City Clerk

dm/kiss/fire/03-02-23.ord

Law Offices
Christiansen & Dehner, P.A.
Scott R. Christiansen
63 Sarasota Center Blvd. Suite 106
Sarasota, Florida 34240
941-377-2200
Fax 941-377-4848
H. Lee Dehner
(1952-2019)

March 7, 2023

Via E-Mail: Linda.gomez@Kissimmee.gov

Ms. Linda Gomez
Kissimmee Firefighters' Retirement Plan
101 Church Street
Kissimmee, Florida 34741-5013

Re: Ordinance Amending Pension Plan

Dear Linda:

As directed by the Board at its last meeting, enclosed please find an ordinance amending the City of Kissimmee Municipal Firefighters' Retirement Plan. This ordinance makes the following suggested revisions and changes:

1. Section 30-140, Definitions, is being amended to amend the definition of Salary to add necessary language to clarify the determination period for maximum annual compensation for Members who leave the service of the City who have completed less than 12 months of service during a fiscal year. This change is provided for in the Internal Revenue Code and its associated Treasury Regulations.

2. Section 30-143, Finances and Fund Management; Establishment and Operation of Fund, is being amended to provide language regarding Board discretion on seeking recovery of inadvertent overpayments from the Fund, as permitted by recently adopted Secure Act 2.0.

3. Section 30-146, Pre-Retirement Death, and Section 30-148, Vesting, are being amended to reflect the current ten year vesting period applicable to all members. We have removed outdated language that is no longer applicable.

4. Section 30-156, Minimum Distribution of Benefits, and Section 30-167, Deferred Retirement Option Plan, are being amended to provide for recent changes to the Internal Revenue Code in the Secure Act 2.0, changing the required distribution date from age 72 to the applicable age provided for in the IRC, as amended from time to time.

5. Section 30-164, Military Service Prior to Employment, and Section 30-168, Prior Fire Service, are both being amended to provide an option for members to pay for purchased credited service at no cost to the plan over a period of time, not to exceed 5 years, rather than making one lump sum payment.

By copy of this letter to the Board's actuary, Foster & Foster, Inc., I am requesting that they provide you with a letter confirming that there is no cost associated with the adoption of this ordinance.

This document should be copied and distributed to each member of the Board for review and approval at the next board meeting. If you have any questions regarding the enclosed, please feel free to give me a call.

Yours very truly,

Scott R. Christiansen

SRC/dm
enclosure

cc: Doug Lozen, with enclosure